

Message Text

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ACTION NEA-10

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E.O. 11652: N/A
TAGS: EINV, EG
SUBJECT: EGYPT-US BUSINESS COUNCIL MEETING

REF: STATE 206280

1. RE PARA 6 REFTTEL, DO NOT BELIEVE WE WOULD HAVE ANY INFORMATION ON SPECIFIC PROJECTS BEYOND THAT AVAILABLE TO DEPARTMENT. (RECENT DEVELOPMENTS ON FORD AND COKE BEING REPORTED SEPTELS.) CENTRAL POINT TO BE MADE TO GHORBAL, OF COURSE, IS THAT GOE -- NOT JBC -- IN SEVERAL RESPECTS INESCAPABLY IS RESPONSIBLE FOR ENCOURAGEMENT OF US INVESTMENT. MODIFIED LAW 43 ON BOOKS ALMOST CERTAINLY IS A HELP, ALTHOUGH DEFINITIVE JUDGEMENTS IN THIS REGARD AWAIT PUBLICATION OF IMPLEMENTING REGULATIONS AND WILL BE FORMED ON BASIS OF SUBJECTIVE DETERMINATION BY INDIVIDUAL US COMPANIES (AGAIN, NOT BY JBC).

2. CLEAR RESPONSIBILITY OF GOE, NOW THAT ORIGINAL UNPRODUCTIVE LAW HAS BEEN AMENDED, REMAINS IN AREA OF PROJECT CONSIDERATION AND RENDERING OF YEA OR NAY DECISIONS. TIMELINESS IN PROCESS IS IMPORTANT TO INTERNATIONAL BUSINESSMEN, FACT WHICH GOE OFFICIALS SEEMINGLY HAVE DISCOUNTED, EVEN SINCE CHANGE IN INVESTMENT AUTHORITY LEADERSHIP EARLIER THIS YEAR. (NUMEROUS PROJECT APPROVALS FORTHCOMING DURING LAST FEW MONTHS ARE IN PRINCIPLE ONLY, WITH IMPORTANT DETAILS LIMITED OFFICIAL USE

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STILL TO BE WORKED OUT.) FEW COMPANIES HAVE SUCH A FIXATION ON INVESTMENT IN EGYPT THAT THEY WILL SUFFER INTERMINABLE DELAYS IN GETTING ACTIONABLE RESPONSE FROM GOE. (BOYCOTT-RELATED CASES OF FORD AND COCA-COLA ARE SPECIAL.) INVESTMENT AUTHORITY WILL HAVE TO LEARN TO GET ON WITH IT AND LEARN HOW, IF NECESSARY, TO SAY "NO".

3. FURTHER INESCAPABLE RESPONSIBILITIES OF GOE, IF EGYPT SERIOUSLY WANTS FOREIGN PRIVATE INVESTORS, ARE ACTIVE PROMOTION AT HOME AND ABROAD OF INVESTMENT PROSPECTS AND CREATION GENERALLY THROUGH BROAD RANGE OF GOVERNMENT POLICIES OF FAVORABLE CLIMATE FOR FOREIGN BUSINESS VENTURES. JBC HAS LITTLE OR NOTHING TO SAY ON THESE MATTERS, EXCEPT IN FACILITATIVE SENSE OF BUILDING ON PRIOR CONDITIONS CONDUCIVE TO INVESTMENT OR AIDING GOE'S OWN PROMOTIONAL EFFORTS. GOE HAS TO SEEK OUT PRIVATE CAPITAL, AND, ONCE FOUND, GOE POLICIES AND BUREAUCRATIC ADMINISTRATION MUST BE DESIGNED TO INSURE INVESTORS WILL HAVE SPORTING CHANCE TO MAKE RETURN DEEMED ADEQUATE BY FIRM SUPPLYING INVESTMENT FUNDS.

4. IT GOES WITHOUT SAYING EMBASSY IS PREPARED TO ASSIST GOE AND JBC AS APPROPRIATE AND FEASIBLE. HOWEVER, NEITHER WE NOR JBC CAN DO EGYPT'S JOB FOR IT AND GHORBAL SHOULD BE DISABUSED OF THAT NOTION. HIS ATTITUDE, AS REPORTEDLY EXPRESSED TO BREWER, UNFORTUNATELY IS REFLECTIVE OF GENERALLY-HELD ATTITUDE WITHIN HIGHER REACHES OF GOE BUREAUCRACY. BEST DEED GOE COULD DO IN ITS OWN BEHALF AT THIS TIME WOULD BE TO APPROVE ONCE AND FOR ALL, AND ACTIVELY HELP IMPLEMENT, AT LEAST ONE MAJOR PROJECT PROPOSED BY AN INTERNATIONALLY-RECOGNIZED US (OR OTHER FOREIGN) COMPANY. EGYPT'S INVESTMENT IMAGE, NOW A BIT TATTERED, MIGHT THEREBY BE REFURBISHED.

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EILTS

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Message Attributes

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